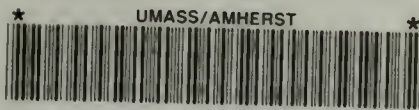


THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CAMPAIGN & POLITICAL FINANCE

ONE ASHBURTON PLACE, ROOM 1007

BOSTON, MASSACHUSETTS 02108

(617) 727-8352



MARY F. MCTIGUE  
DIRECTOR

312066 0272 9270 5

OCPF-IB-106

ISSUE DATE: October 21, 1988

EFFECTIVE DATE: January 1, 1989

INTERPRETATIVE BULLETIN

Lease of Real Property by  
Candidates and Political Committees

This interpretative bulletin will serve to provide guidelines to those persons governed by M.G.L. c.55 concerning various issues arising from the lease, or sublease, of real property by candidates and political committees.\*

The regulations promulgated under M.G.L. c.55 provide that candidates and political committees may make "reasonable and necessary expenses in connection with operation of a campaign office or offices." These expenses may cover telephones, furniture, office rent and equipment, and utilities. 970 C.M.R. 2.05(2)(h).

Issues arise under the campaign finance law, however, when a candidate or political committee wishes to "share" the expenses of another office, or to sublet a portion of such office space. Additional issues are posed when a candidate or political committee wishes to directly lease office space from the candidate (or member of the political committee) or from an entity in which such candidate (or member) has an interest.

Section 6 of M.G.L. c.55 permits candidates and political committees to make political expenditures so long as such expenditures are not "primarily for the candidate's or any other person's personal use." The situations

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\*This office has not permitted the purchase of real property by candidates or political committees. Section 6 of M.G.L. c.55 states that a political committee may place its funds in a savings account or money market to earn interest but may not invest its funds in other things of value in any other manner. This office would view the purchase of real property by a candidate or committee to be a prohibited investment rather than a reasonable and necessary expense associated with obtaining office space for such candidate or committee.



described in the preceding paragraph raise the question of personal use.

May a candidate or a political committee share office space with or sublet such space from another organization?

As noted above, the campaign finance law and the regulations promulgated thereunder permit a political committee to make expenditures for expenses incurred in connection with the operation of an office.

Clearly, a candidate or a political committee may rent separate office space. It is also the policy of this office that a candidate or political committee may share office space with or sublet such space from another organization, provided the fair market value for such space (a pro rated portion of the lease and any utilities and other operational expenses) is paid by the candidate/political committee. Should the candidate or political committee pay less than the fair market value, an in-kind contribution will be attributed to the person from whom the office space is sublet. Candidates and political committees (excluding so-called "ballot question" committees ) should note that in-kind contributions from business corporations, including so-called "professional corporations" or "P.C.'s" are prohibited under M.G.L. c.55. Any services, facilities, supplies, utilities, equipment or personnel supplied by a business corporation should therefore be reimbursed by the candidate or political committee in full.

In addition, separate accounts for equipment (such as telephones, typewriters, computers and copiers) and personnel (such as secretaries and telephone receptionists) should be kept and paid for by each of the candidate/political committee and the person from whom such space is sublet. Candidates and political committees should be prepared to produce records documenting such separate accounts, as well as lease agreements, upon request from this office.

May a political committee directly or indirectly lease office space from the candidate or other member of the political committee?

This office considers direct or indirect payments for leased office space made to a candidate or other member of a political committee by the candidate or political committee to be primarily for such candidate's or such member's personal benefit and therefore prohibited by the campaign finance law. Additionally, this office considers payments made to any entity, including but not limited to a corporation or trust, of which the candidate, treasurer, or other official of the political committee is (1) an officer, trustee, principal or beneficiary or (2) related by consanguinity or affinity to any officer, trustee, principal or beneficiary, to be prohibited expenditures.

